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Malaysia

Oilseeds and Products

Oilseeds and Products (May)

2002

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Report Highlights:

Malaysia's CPO production declined by 3.3 percent to 863 TMT in April, 2002.

Sluggish output contributed to a 10 percent drop in carry-over stocks at the end of April. The average local CPO price rose from US\$306/MT in April to US\$332/MT in May.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Kuala Lumpur [MY1], MY

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Executive Summary

Production

The Malaysian Palm Oil Board (MPOB) reported that total crude palm oil (CPO) production declined by 3.3 percent from 893 TMT in the month of March 2002 to 863 TMT in April. Output in the Peninsula dropped by 4.8 percent in April while East Malaysia's production fell 3.4 percent. Compared to April 2001, output during April 2002 was lower by 6.4 percent. Post expects CPO output to rebound by 6-7 percent in the month of May and is still confident that CPO output will reach about 2.76 MMT during the Apr-Jun quarter.

Price

Stronger Indonesian rupiah and news of China's intention to slap on import duty of 24 percent on US soyoil in retaliation to the US tariff as steel imports influenced the sharp uptrend in the local CPO prices. The average CPO price rose two percent from US\$306/MT in April to US\$332/MT in May. For comparison, the average CPO price for May, 2001 was US\$194/MT. RBD Palm Oil FOB average price also rose from US\$317/MT in April to US\$140/MT in May.

Stocks

Sluggish CPO output contributed to a 10 percent drop in carry-over stocks at the end of April. Post expects CPO stock level to be in the ballpark of 1.05 MMT till the end of June.

Trade

Preliminary official PO exports dropped from 890 TMT in March to 860 TMT in April.

Annual Situation

PS&D table for palm oil remains unchanged since the submission of Report MY 2013.

	Revised 2000/01	Prelim 2001/02	Forecast 2002/03
(1,000 tons)			
Beg Stock	1368	1,216	1,070
Production	11,937	11,500	12,300
Imports	108	310	130
Total Supply	13,413	12,916	13,500
Exports	10,023	9,600	10,000
Domestic Use	2,174	2,246	2,370
Ending Stock	1,216	1,070	1,130

Quarterly Outlook for Palm Oil

	2001 1/	2002 2/	2001 1/	2002 2/
	Jan-Mar	Jan-Mar	Apr-Jun	Apr-Jun
Beg Stocks 3/	1419	1214	1251	1170
Prod- Pen.Mal	1773	1521	1833	1600
- East Mal	1063	1080	999	1160
- Total	2836	2601	2832	2760
Imports	26	130	38	50
Total Supply	4281	3945	4121	3980
Exports 4/	2562	2390	2557	2400
Dom Disap 5/	468	385	533	530
End Stocks	1251	1170	1031	1050

1/ Revised;

2/ Forecast;

3/ Stocks including crude and refined for all Malaysia;

4/ Exports exclude shipments of fatty acid oil distillate and all intra-Malaysia trade;

5/ residual.

Production

	2001	2001	2002	2002
	Apr	Jan-Apr	Apr	Jan-Apr
(In 1,000 MT)				
CPO:				
Pen. Malaysia	593	2366	499	2020
East Malaysia	329	1390	364	1444
- Total	922	3756	863	3464
Palm Kernel : Malaysia	266	1083	240	987
Palm Kernel Oil: Malaysia	123	494	109	462
Palm Kernel Meal: Malaysia	144	578	128	538

Prices

(Crude delivered basis; RBD Oils in Bulk, FOB Malaysia)

	Local Crude	RBD Palm Oil	RBD Olein	RBD Stearin
	RM/MT	US\$/MT	US\$/MT	US\$/MT
May 2001	739	207	225	166
Jun	789	224	240	171
Jul	983	287	298	198
Aug	1216	333	358	285
Sep	998	274	281	240
Oct	860	235	244	229
Nov	1053	290	306	247
Dec	1107	302	318	244
Jan	1166	322	336	254
Feb	1121	302	318	252
Mar	1144	311	327	265
Apr 2002 1/	1163	317	331	280
May (till 29)	1260	340	355	309

1/ Revised

Exchange Rate (May 31, 2002): US\$1.00 = RM3.799

Stocks:

	2001	2002	2002	2002
	Apr	Feb	Mar	Apr
(In 1,000 MT)				
Crude P. Oil	737	744	646	541
Processed PO	452	543	524	515
- Total PO	1189	1287	1170	1056
Palm Kernel	146	88	81	82
P. Kernel Oil	236	332	327	317